

## CAPITAL RESERVE FUNDS

### Background

The District encourages the creation of capital reserves through the regular budget process for the purchase, replacement or upgrading of capital equipment. The District also encourages the creation of reserves by schools for the same purposes.

### Procedures

1. The Board shall, by resolution, approve all transfers to and from the reserves. The resolution shall state clearly the purpose for the transfer.
  - 1.1 Money accumulated in a reserve for capital expenditures shall be used only for capital expenditures unless approval is received from the Minister to do otherwise.
2. Monies received by the Board from a provincial grant for a specific purpose may be spent during a subsequent fiscal year for a substantially similar purpose. Use of a different purpose requires the approval of the Minister of Learning.
3. Source and revenue funds may include all or any of the following:
  - 3.1 Land and Land Improvements (not for schools)
    - ◆ District Operating Surpluses
  - 3.2 Building and Building Improvements (not for schools)
    - ◆ District Operating Surpluses
  - 3.3 Equipment
    - ◆ Year End Surplus Transfers
  - 3.4 Vehicles
    - ◆ Year End Surplus Transfers

NOTE: Funds from the sale of obsolete or surplus assets may be placed in the appropriate reserve. Although some operating reserves can also be established, in no circumstance may funds for administrative costs be placed in any reserve.

4. Application of reserve funds may include all or any of the following:
  - 4.1 Land and Land Improvement (not for schools)
  - 4.2 Building and Building Improvements
    - ◆ Offices, garages (not for school)

#### 4.3 Equipment

- ◆ Purchase of major equipment items

#### 4.4 Vehicles

- ◆ Purchase of vehicles

Reference: Section 152, School Act